

Rule 21 Working Group Meeting #39 - Agenda

December 10, 2002

California Energy Commission

1516 9th Street

Sacramento, CA

Hearing Room B

9:30 am – 4:00 pm

Combined Group Discussion (Approximately 9:30 am to 12:30 pm)

- Introductions, General Housekeeping, & Next Meeting Location:
 - NEXT MEETING: January 13, 2003, San Diego Gas & Electric, 8306 Century Park Court, San Diego, CA

Attendance this meeting:

John Ahrens	Power Measurement	661-803-8803	john.ahrens@pwr.com
Manuel Alvarez	SCE	(916) 441-2369	alvare@sce.com
Werner Blumer	CPUC/ED	(415) 703-1421	wmb@cpuc.ca.gov
Gary Brown	California ISO	(916) 608-5715	glbrown@caiso.com
Petrina Burnham	SDG&E	858-654-1712	pburnham@semprautilities.com
Herb Clowers	Hess Microgen	775-884-1000	hclowers@hess.com
Chuck Arthur	Arthur Engineering	916-681-0226	ChuckA@ArthurEngineering.com
Bill Cook	SDG&E	(858) 654-1189	wcook@semprautilities.com
Crisman Cooley	Overdomain	(805) 683-0938	ccooley@overdomain.com
Tom Dossey	SCE	(626) 302-8242	dosseyt@sce.com
Ed Grebel	SCE	(626) 302-8526	grebelej@sce.com
Nick Grewal	RealEnergy	818-610-2345	ngrewal@realenergy.com
John Horak	Basler Electric	303-730-3021	johnhorak@basler.com
Mike Iammarino	SDG&E	(858) 650-6166	miammarino@semprautilities.com
Jerry Jackson	PG&E	(415) 973-3655	grj4@pge.com
Scott Lacy	SCE	(909) 357-6589	lacysr@sce.com
Randy Mannier	MPE Consulting	858-578-4788	randy@mpeconsulting.com
Mike Mazur	Capstone Turbine	(818) 734-5113	mmazur@capstoneturbine.com
Anthony Mazy	CPUC/ORA	(415) 703-3036	amazy@cpuc.ca.gov
Mauricio Mejia	Pasadena Water and Power	626.744.4529	mmejia@ci.pasadena.ca.us
Dave Michel	California Energy Commission	916-654-9864	dmichel@energy.state.ca.us
Matt Monroe	Consultant	925-516-4881	rmattmonroe@aol.com
Debbie Rogers	SCE	626-302-9453	dodgerdy@sce.com
Jim Ross	EPUC/CAC	636-530-9544	jim.ross@r-c-s-inc.com
Lee Ruth	Lee Ruth & Associates/World Water	916-457-6529	LelandRuth@aol.com
Nora Sheriff	A-KLAW	415-421-4143	nes@a-klaw.com
Jim Skeen	SMUD	(916) 732-5305	jskeen@smud.org
Chuck Solt	Lindh & Assoc	916-729-5004	chuck@csolt.net
Andrew Trump	Consultant	510-326-1126	altrump@sbcglobal.net
Mark Turner	Dev/Financial Consultant	916-835-8119	m-turner@sbcglobal.net
Mohamrr Vaziri	PG&E	510-874-2535	myv1@pge.com
Bill Westbrock	Power Measurement	415-457-9040	bill.westbrock@pwr.com
Chuck Whitaker	Endecon Engineering	(925) 552-1330	chuckw@endecon.com
Leon Woods	World Water Corp	916-449-3929	lwsolar@yahoo.com

In attendance 12-10-2002

- Technical Group Updates
 - IEEE P1547 Update and Next Steps
 - Writing group reviewing negative ballots, “Champions” have helped 9 of 20 negative ballots to change their votes; Final vote needs to be greater than 75% for approval; Negative ballots must be discussed as part of process, even if original ballot is >75% approval. P1547 doc was circulated at this meeting by Jerry J.
 - Supplemental Review Document Update
 - Upgraded draft supp rev document to be made available on a website for use by utilities and interconnection applicants. Not a regulatory document; only a guide; the group does not appear to favor making the document conform to Rule 21 definitions. Not a prescriptive document; just mentions issues and limits for consideration by the parties. Still open to comments from all parties. Document goes beyond strict supplemental review to describe the process of how the decisions are made. Supp rev gives focus to the detailed study, if one needs to happen. Question whether to make available to FERC ANOPR process; decision that no, unless it links to a doc with caveats, then a link to the document. The doc will stay a draft for now. There will be no formal sanction by PUC or CEC of the document; it is purely a working document.
 - Status of Tecogen Rule 21 Equipment Certification
 - The certification review board utility members--Bill, Moh & Ed--have received copies. Remaining issues on Tecogen: Anti-Islanding. Tecogen said this is not an inverter, but group said you still need anti-islanding; system is currently ok, however, for non-export.
- Regulatory Issues:
 - Utility Interconnection Cost Studies per CPUC Decision 02-03-057
 - Status and Coordination Efforts

Overall questions is whether the (800 + 600) \$1400 is accurate for processing interconnection applications.

Area:	<u>Initial & SuppRev</u>	<u>Detailed study</u>	<u>Dist sys Improvement</u>	<u>IC Facilities</u>
Enet/NEM <10kW (solar & wind)				
Exp Enet/NEM >10kW <1MW (solar & wind)				
Rule 21 <1MW				

Distribution system improvements benefit both customer & utility
 IC facilities are paid for by applicant, to benefit him/her.

Above are internal (PG&E) cost buckets. Thought now is to capture \$\$, not hours. But that hasn't been decided. Gross \$\$ or by project. SCE says unless data is by project, it isn't of much use.

Do \$\$ include overhead, benefits, etc? Or labor only? Not decided yet. Question is what does utility incur? Are you collecting at site level, or overall? Not decided. But ALJ didn't require that. SDG&E is not collecting project level. SCE is tracking by project. SCE urges having consistent reporting among utilities.

Tony M. suggests having a small number parameters for cost recovery numbers: Per kW, Per generator type (rotating equipment/inverter-based).

Last year PG&E said DG provided "No benefit" to its distribution system

Are fees of \$800 for initial review and \$600 for supp rev appropriate? IOU cost studies are due to CPUC in January.

Investor-Owned Utilities will meet off line to see if future data could be made consistent and possibly on a per-unit basis. This year's report is due in January, so coordination is unlikely at this point.

- Status of Utility Advice Letter Filings
 - Section F Changes
 - Net Metering Changes Incorporating AB58 and AB2228
 - There is confusion on dates of applicability of review, as there is in Rule 21. How to merge the timelines? Not resolved yet.
 - Issues overlap
- Should Net Energy Metering be discussed in this group?

There is interest in the workgroup to do that; Werner B. suggests a separate section in Rule 21 to cover NEM. The issue will be discussed in the Non-Tech group.
- Update on FERC ANOPR
 - Three processes: FERC Large Gen NOPR 20MW+
 - FERC Small Gen ANOPR Attachment A: 0-2MW; Attachment B: 2-20MW
 - FERC standard market design

Three groups: Interconnection providers (utilities); Small generators; Utility Regulators. Procedures, Applications, Agreements have been filed for Attachment A & B; Now points of disagreement are being highlighted, with rationale for differences. Review and comment by 12-20 are sought from all stakeholders. Website is set up to disseminate docs; requires (non-exclusive) subscription.

There are no technical requirements in the FERC ANOPR; relies on P1547. Attachment A has both initial screens (tough, utility designed) and supplemental screens designed by small gen which utilities believed were looser.

Jurisdiction is an issue because of overlap. FERC wholesale market for ancillary services doesn't exist here, but is common on the east coast. East coast does not have a wholesale distribution access tariff.

NARUC wants a 0-20MW market with no division. Should we address unification of these efforts?
Group says not now.

- FOCUS Team Projects
 - DG Monitoring Study Update
 - Fixed IP and domain name to be available this month
 - <http://68.4.75.33:81/ion> this IP is effective this month
 - By end of next month, 2 more sites will be available
 - DG Interconnection Guidebook – Input/Suggestions/Comments
 - Disclaimer - Add a disclaimer section -- Werner B.
 - Objective - Write a short paragraph stating what this doc is for. Does it explain rationale for rule sections? - from Moh V. & Mike M.
 - DUIT - Distributed Utility Integration Test -- a project through DOE & CEC to lab test the effect of DG on feeders.
 -
- Rule 21 Issues to Address in Calendar Year 2003

Non-Technical Breakout

Issues for 2003

- CAC/EPUC suggestion to add 10-year term to Rule 21 interconnection agreement for IRS purposes. The relevant IRS notices are: Notice 88-129 (Westlaw cite: 1988 WL 561200 (IRS ANN)) and Notice 2001-82 (Westlaw cite: 2001 WL 1558348 (IRS NOT)). How would this be done? Nora S. suggests putting the clause into the Rule 21, or possibly there and in the agreements. She will draft language to review within 10 days. IOUs will take the issue back to their legal depts.; if they don't like it, the process would require a complaint filing to the PUC.
- Metering Discussion Continued
 - Discussion of Tom D.'s draft metering document. PG&E names 5 needs for metering: Non Bypassable Charges, Standby Charges, Gas Cogeneration Rates, Self-Generation Incentives, Net Generation Metering
 - Jerry J. says estimation is not an issue. Jerry will find out whether an estimation will suffice if a customer does not wish to provide data. Not getting metered data: ISO does not wish to divulge, customer does not wish to divulge.
 - SDG&E requires meters for billing.
 - SCE has not required metering. Now they are.
 - PG&E has not required metering. But there has been a problem: gaps in the information; manual input has been required; there could be issues of proprietary data; non-utility ownership of meter is a problem with data integration. PG&E does not meter unless there is a tariff requiring it.

- Would need to re-initiate Rule 22 provisions to allow 3rd party to provide data-
-there are many provisions that would need to be fulfilled.
- Would be less costly to provide the meter at construction rather than retrofit.
Space can be a problem.
- AB58 and AB2228 require metering for generation incentives.
- Two camps: Randy M: Metering is required and 3rd party wants to provide;
CAC/EPUC: Customer doesn't want to provide information, so they provide
estimates. Neither has a basis in Rule 21 today, if utility decides to require
metering.
- What data is needed? How to provide it?
- Rule 22 G.1.d Meter conformity; G.2 Meter Specification. If 3rd party wants to
provide data, they must comply with these specs. Does not apply to Net
Generation Metering, but perhaps it could be made to apply. How could
CPUC do it? Werner says it would have to be a separate proceeding, because
it requires revenue metering.
- Three issues: 1. Would utilities approve of 3rd party ownership if adequate
meter specs (R22) were used? 2. How to integrate data? 3. How to do it at
the commission. Petition to modify has no time limit.
- SDG&E will not put in a meter if there isn't a tariff.
- Net metering discussions, to continue, to integrate into technical group to deal
with output from NEM. Plus I&J Section changes (for example the flowchart
would not throw NEM into Supplemental Review). Discussions necessary for
how to support this. Issues of Hybrid systems; Generator size vs Inverter
nameplate.

Basic Summary Questions:

- If there is a tariff requirement, can an estimate be used? For example:
Departing load: if customer is willing to accept a utility estimate, will that fulfill
the metering requirement?
- Steps involved to 3rd party metering: a. Specifications Rule 22; b. Consensus
internally will utilities support it; c. data integration; d. what commission
approval method?
- Net Generation Output Metering Document
- Future Changes to Section F (Telemetry and Telemetering Equipment)
- Net Metering Forum Follow-up
 - Net metering discussions, to continue, to integrate into technical group to deal
with output from NEM. Plus I&J Section changes (for example the flowchart
would not throw NEM into Supplemental Review). Discussions necessary for
how to support this.

Additional Issues List

1. Section I & J: 1547 Integration
2. Net Energy Metering
3. Net Generation Output metering
4. Inadvertent deliveries

5. Small Gen ANOPR
6. 10-year term question (Tax issue)
7. Time and cost tracking
8. Developing permanent metering requirements

Technical Breakout

- Status of Tecogen Rule 21 Equipment Certification Request

Close to certification on 4 units:

- Model # CM-60H
- Model # CM-60L
- Model # CM-75H
- Model # CM-75L

These are 60kW and 75 kW induction generators, low voltage (208/230V) and high voltage (460V) versions.

The units are expected to meet the basic requirements, but are not certified Non Islanding or Non Export.

- Technical Discussion of Accommodating P1547 in Rule 21

The working group plans to take up this issue when it is complete with the Supplemental Review Guidance Document.

- Comments on Draft Supplemental Review Guidance Document

Most comments have been addressed. Expect a complete draft, all comments addressed by next meeting (January 13, 2003).